



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

April 28, 2003

H.R. 1350

Improving Education Results for Children with Disabilities Act of 2003

*As ordered reported by the House Committee on Education and the Workforce
on April 10, 2003*

SUMMARY

H.R. 1350 would reauthorize various programs under the Individuals with Disabilities Education Act (IDEA) that were authorized through 2002. These programs were authorized in 2003 by the General Education Provisions Act (GEPA) and the Consolidated Appropriations Resolution, 2003 (Public Law 108-7). H.R. 1350 would reauthorize these programs through 2009. The bill also would amend two programs that are permanently authorized by IDEA.

The bill would authorize additional appropriations of \$3.1 billion in 2004. CBO estimates that the new authorizations under H.R. 1350 would total about \$50 billion over the 2004-2009 period, assuming that annual levels are adjusted to keep pace with inflation when specific annual authorizations are not provided. CBO estimates that appropriations of those authorized levels would result in additional outlays of \$32 billion over the 2004-2009 period. Enacting H.R. 1350 would not affect direct spending or receipts.

H.R. 1350 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA). Any requirements on states or educational institutions would be conditions for receiving federal grants; the bill would authorize the appropriation of about \$49 billion over the 2004-2009 period for such grants.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of H.R. 1350 is shown in Table 1. The costs of this legislation fall within budget function 500 (education, training, employment, and social services).

TABLE 1. ESTIMATED BUDGETARY EFFECTS OF H.R. 1350, THE IMPROVING EDUCATION RESULTS FOR CHILDREN WITH DISABILITIES ACT OF 2003

	By Fiscal Year, in Millions of Dollars						
	2003	2004	2005	2006	2007	2008	2009
SPENDING SUBJECT TO APPROPRIATION							
With Adjustments For Inflation							
IDEA Spending Under Current-Law							
Estimated Authorization Level ^a	9,434	9,323	9,506	9,708	9,910	10,130	10,350
Estimated Outlays	8,152	9,484	9,580	9,595	9,755	9,963	10,180
Proposed Changes							
Estimated Authorization Level	0	3,063	5,206	7,404	9,403	11,386	13,369
Estimated Outlays	0	61	2,034	4,346	6,567	8,633	10,631
IDEA Spending Under H.R. 1350							
Estimated Authorization Level	9,434	12,386	14,712	17,112	19,312	21,515	23,718
Estimated Outlays	8,152	9,545	11,614	13,941	16,322	18,596	20,812

NOTE: Components may not sum to totals because of rounding.

a. The 2003 level is the amount appropriated for that year for all programs. The 2004 through 2009 levels are the baseline amounts for the Grants to States and the Preschool state grants programs, which are permanently authorized under IDEA. The 2004 level includes an advance appropriation of \$5.7 billion in the Grants to States program.

BASIS OF ESTIMATE

H.R. 1350 would reauthorize funding through 2009 for various programs created under IDEA. The bill also would amend funding authorizations for two programs that are permanently authorized by IDEA.

Most programs authorized under IDEA would be reauthorized at specific levels for 2004 and for such sums as may be necessary for 2005 through 2009. Funding for the Grants to States program, which is permanently authorized at such sums as necessary, would be authorized at specific levels for 2004 through 2010 and at such sums as may be necessary for subsequent years. Funding for the Preschool state grants program, which is also permanently authorized, would be authorized at a specific level in 2004 and such sums as may be necessary in subsequent years.

Table 2 presents CBO's estimates with inflation adjustments for the various components of each title under H.R. 1350. The estimated outlays reflect historical rates of spending for the affected programs.

The current-law levels for 2003 shown in tables 1 and 2 are the amounts appropriated that year for all IDEA programs. Amounts authorized under current law for years 2004 through 2009 are CBO's baseline projections for the two programs that are permanently authorized and include an advance appropriation of \$5.7 billion in 2004 for the Grants to States program.

H.R. 1350 would authorize additional appropriations of \$3.1 billion in 2004. CBO estimates that this bill would authorize total additional funding of \$50 billion over the 2004-2009 period assuming that "such sums" amounts provided after 2004 are adjusted for inflation. If the authorized amounts are appropriated, outlays would increase by \$61 million in the first year and by \$32 billion over the six-year period.

Title I of the bill would provide general provisions and definitions for IDEA. Titles II through IV would authorize funding for IDEA programs, and the estimated costs for implementing each of those three titles are described below.

Title II: Assistance for Education of All Children with Disabilities

Title II would amend the Grants to States program and the Preschool state grants program. Funding for both programs is permanently authorized by IDEA at such sums as may be necessary, which CBO estimates as the baseline level using the 2003 appropriations as the starting point. The baseline level in 2004 for the two programs is a total of \$9.3 billion (including the advance appropriation of \$5.7 billion for the Grants to States program).

H.R. 1350 would authorize an additional \$2.3 billion above the current-law baseline (for a total of \$11.6 billion) for 2004 for programs under title II. CBO estimates that total additional funding for title II for the 2004-2009 period would be \$44.7 billion (for a total of \$103.6 billion) with resulting additional outlays of about \$28.4 billion (\$78 billion total) over those six years.

Grants to States. H.R. 1350 would authorize total amounts of about \$11.1 billion in 2004 and gradually raise that to about \$25.2 billion in 2010, and such sums as may be necessary for 2011 and each subsequent fiscal year for the Grants to States program. These authorizations would be \$2.1 billion above baseline levels in 2004 and about \$15.1 billion higher by 2010.

TABLE 2. DETAILED EFFECTS OF H.R. 1350, IMPROVING EDUCATION RESULTS FOR CHILDREN WITH DISABILITIES ACT OF 2003, WITH ADJUSTMENTS FOR INFLATION

	By Fiscal Year, in Millions of Dollars						
	2003	2004	2005	2006	2007	2008	2009
SPENDING SUBJECT TO APPROPRIATION							
IDEA Spending Under Current Law							
Budget Authority/Authorization Level ^a	9,434	9,323	9,506	9,708	9,910	10,130	10,350
Estimated Outlays	8,152	9,484	9,580	9,595	9,755	9,963	10,180
Proposed Changes:							
Title II: Assistance for Education of All Children with Disabilities							
Grants to States							
Estimated Authorization Level	0	2,146	4,270	6,449	8,427	10,389	12,350
Estimated Outlays	0	43	1,437	3,463	5,620	7,665	9,643
Preschool Grants							
Estimated Authorization Level	0	106	108	110	113	115	118
Estimated Outlays	0	2	69	102	109	112	114
Subtotal, Title II							
Estimated Authorization Level	0	2,252	4,378	6,559	8,540	10,504	12,468
Estimated Outlays	0	45	1,506	3,565	5,729	7,777	9,757
Title III: Infants and Toddlers with Disabilities							
Infants and Toddlers Grants							
Estimated Authorization Level	0	447	456	465	475	486	496
Estimated Outlays	0	9	291	431	462	471	482
Title IV: National Activities							
State Professional Development Grants							
Estimated Authorization Level	0	44	45	46	47	48	49
Estimated Outlays	0	1	29	42	45	46	47
Research, Technical Assistance, Demonstrations, and Dissemination							
Estimated Authorization Level	0	172	175	179	183	187	191
Estimated Outlays	0	3	112	166	178	181	185

Continued

TABLE 2. Continued

	By Fiscal Year, in Millions of Dollars						
	2003	2004	2005	2006	2007	2008	2009
Personnel Preparation Program							
Estimated Authorization Level	0	90	92	94	96	98	100
Estimated Outlays	0	2	59	87	93	95	97
Technical Assistance for Parent Training and Information Centers ^b							
Estimated Authorization Level	0	33	33	34	35	36	36
Estimated Outlays	0	1	21	32	34	35	35
Parent Training and Information Centers							
Estimated Authorization Level	0	26	27	27	28	28	29
Estimated Outlays	0	1	17	25	27	27	28
Subtotal, Title IV							
Estimated Authorization Level	0	365	372	380	388	396	405
Estimated Outlays	0	7	237	351	377	385	393
Total Proposed Changes							
Estimated Authorization Level	0	3,063	5,206	7,404	9,403	11,386	13,369
Estimated Outlays	0	61	2,034	4,346	6,567	8,633	10,631
Total IDEA Spending Under H.R. 1350							
Estimated Authorization Level	9,434	12,386	14,712	17,112	19,312	21,515	23,718
Estimated Outlays	8,152	9,545	11,614	13,941	16,322	18,596	20,812

NOTE: Components may not sum to totals because of rounding.

- a. The 2003 level is the amount appropriated for that year for all programs. The 2004 through 2009 levels are the baseline amounts for the Grants to States and the Preschool state grants programs which are permanently authorized under IDEA. The 2004 level includes an advance appropriation of \$5.7 billion for the Grants to States program.
- b. Authorization was intended to authorize appropriations for Technology Development, and Demonstration, and Media Services.

The state grant program provides formula grants to states to assist them in covering the excess costs of providing special education services to children with disabilities. Funding for this program currently is provided on an academic year basis through appropriations in two separate fiscal years: a forward-funded appropriation which is available July 1 of the current fiscal year, and an advance appropriation available October 1 of the next fiscal year. Although the program has been funded by two separate appropriations since 2001, funding

does not need to be authorized separately because all of the funds for an academic year could be provided in one appropriation. The program is funded at just under \$8.9 billion in academic year 2003-2004.

Preschool State Grants. H.R. 1350 would authorize \$500 million in 2004, and such sums as may be necessary for each subsequent fiscal year for the Preschool grants program. The Preschool program provides additional grants to states for providing special education services to children ages three through five. The program is funded at \$387 million in 2003.

Title III: Infants and Toddlers with Disabilities

Title III would reauthorize the infants and toddlers state grant program. CBO estimates that total funding for title III for the 2004-2009 period would be \$2.8 billion, assuming adjustments for inflation, with resulting outlays of about \$2.1 billion over those six years.

The bill would authorize \$447 million in 2004 and such sums as may be necessary over the 2005-2009 period for the program. The infants and toddlers program provides funds to states for early intervention and identification activities. The program is funded at \$434 million in 2003.

Title IV: National Activities to Improve Education of Children with Disabilities

Title IV would reauthorize and revise several national activities including state professional development grants, scientifically based research, and parent and community training and information centers. Title IV would authorize \$365 million in 2004 and \$2.3 billion over the 2004-2009 period for these programs. CBO estimates that the resulting outlays would be about \$7 million in 2004 and \$1.8 billion over the 2004-2009 period.

State Professional Development Grants. The bill would authorize \$44 million in 2004 and such sums as may be necessary for the next five years for state professional development grants. The state professional development grant program would provide competitive grants to states to improve their systems for professional development in early intervention, educational and transitional services for children with disabilities. The current state improvement program is funded at \$51 million in 2003.

Scientifically Based Research; Technical Assistance; Demonstration Projects; Dissemination of Information; Studies and Evaluations. The bill would authorize \$172 million in 2004 and such sums as may be necessary for the next five years for the

National Center for Special Education Research, regional research centers, demonstration and outreach projects, and assessment activities. Comparable activities are funded at \$130 million in 2003.

Personnel Preparation Programs. The bill would authorize \$90 million in 2004 and such sums as may be necessary for the next five years for competitive awards to states or other organizations to fund programs that address personnel needs. Comparable activities are funded at \$92 million in 2003.

Technical Assistance for Parent Training and Information Centers. The bill would authorize about \$33 million in 2004 and such sums as may be necessary for the next five years for technical assistance for parent training and information centers; but it appears that the bill incorrectly refers to the wrong section of IDEA. The authorization was intended to authorize appropriations for technology development, demonstration and utilization, and media services—programs that provide funds for activities that increase access to the classroom for children with disabilities. These programs focus on services for individuals who are deaf or blind such as video and closed captioned television. Comparable activities are funded at \$38 million in 2003.

Parent Training and Information Centers. The bill would authorize \$26 million in 2004 and such sums as may be necessary for the next five years for parent training and information centers. The regional centers provide information, training, and referral services to parents of children with disabilities. Comparable activities are funded at \$26 million in 2003.

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

The provisions of IDEA apply to states and educational institutions as recipients of federal grants. Consequently, any requirements that would be created or extended by H.R. 1350 would be conditions of federal aid and not intergovernmental or private-sector mandates as defined in UMRA. Under current law, states received about \$8.9 billion under IDEA's basic state grant program in academic year 2003, which CBO estimates equals about 18 percent of the average per pupil expenditure for all children. Other grants to states totaled about \$1 billion in 2003. H.R. 1350 would authorize an additional appropriation of about \$49 billion over the 2004-2009 period for all IDEA grants to states.

ESTIMATE PREPARED BY:

Federal Costs: Donna Wong

Impact on State, Local, and Tribal Governments: Theresa Gullo and Leo Lex

Impact on the Private Sector: Nabeel Alsalam

ESTIMATE APPROVED BY:

Peter H. Fontaine

Deputy Assistant Director for Budget Analysis